

Notice to Traders

Hong Kong Customs Implements Mutual Recognition Arrangements on Authorized Economic Operators with the Korean and Mainland Customs



The Hong Kong-Korea Mutual Recognition Arrangement (MRA) on the Authorized Economic Operators (AEOs) will become operational with effect from **29 August 2014**, while the MRA between Mainland and Hong Kong Customs, with road cargoes having been operated since **18 May 2014**, will take effect from **1 September 2014** for air and sea cargoes.

Customs and Excise Department (C&ED) signed the MRAs with the General Administration of China Customs (GACC) and the Korea Customs Service (KCS) in October 2013 and February 2014 respectively. The MRAs not only foster closer cooperation between C&ED and its counterparts in the Mainland and Korea in promoting a secure and efficient flow of goods in the international supply chain, but also further strengthen the trade competitiveness of local companies in these two economies.

Under the MRAs, local companies accredited by C&ED as AEOs can enjoy Customs facilitation, such as reduced examination or prioritized clearance, for goods exported to the Mainland and Korea upon arrival. Similarly, companies which have been certified by the GACC as "AA" class (equivalent to AEO) and those certified by KCS as AEOs will have their exported goods cleared expeditiously upon arrival in Hong Kong.

To enjoy clearance facilitation during import and export under the MRAs, please follow the procedures for the implementation of the Mainland-Hong Kong MRA and the Hong Kong-Korea MRA at **Annexes 1 and 2** respectively.

Joining the Hong Kong AEO Programme

If you are not a Hong Kong AEO right now, you are cordially invited to join the Hong Kong AEO Programme to enjoy the clearance facilitation. Please contact our AEO Enquiry Hotline at 3759 2153 or visit our AEO website (http://www.customs.gov.hk/en/trade_facilitation/aeo/index.html) for more information about the Programme.

For enquiries on this Notice, please contact us at 3759 2157.

Customs and Excise Department

Procedures to Enjoy Mutual Recognition Benefits Under

Hong Kong-Mainland MRA

Hong Kong AEO Exporting to Mainland

- 2. Under the current declaration procedures, importers in the Mainland should direct their customs brokers to input your HKAEO number into the clearance system of the Mainland Customs during import declarations.

Mainland AEO¹ Importing into Hong Kong

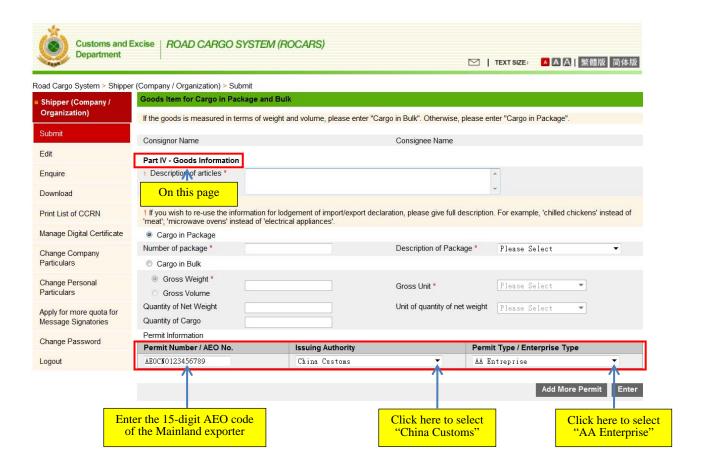
For Road Cargo

- 2. In submitting cargo information to the ROCARS, your company should input (apart from the predefined set of cargo information) the China AEO number into "Part IV Goods Information" section. You should simply:
 - input the "China AEO number" of the Mainland AEO exporter into the "Permit Number / AEO No." field;
 - select "China Customs" in the "Issuing Authority" field; and
 - select "AA Enterprise" in the "Permit Type / Enterprise Type" field.
- 3. Please refer to the screen capture for the above inputs on next page.

For Air and Sea Cargo

- 1. Your company should ask exporters in the Mainland (if they are AEO companies) to accurately furnish their **Company Names** and **Addresses** registered in the Industrial and Commercial Registration Office, together with other cargo information, to their carriers (i.e. Airlines or Container lines).
- 2. Carriers will use such information in completing Cargo Manifests of the conveyances, which will be used for Customs clearance by C&ED.

¹ Mainland companies which have been certified by the Mainland Customs as "AA" class enterprises are AEOs.



Procedures to Enjoy Mutual Recognition Benefits Under

Hong Kong-Korea MRA

Hong Kong AEO Exporting to Korea

- 1. Your company should provide your **HKAEO number** (i.e. **AEOHKxxxxxxxxxx**) to importers in Korea for their import declarations to Korea Customs Service (KCS).
- 2. Under the current declaration procedures, importers in Korea should apply an **Overseas Business Partner Code** (OBPC) for your company through the Electronic Clearance System (UNI-PASS) of KCS. They are required to input your HKAEO number into the UNI-PASS when applying for a fresh OBPC for your company or updating your current record under an existing OBPC (if your company has previous imports into Korea).
- 3. Thereafter, importers in Korea will use your OBPC with AEO status registered for their import declarations and enjoy Customs facilitation.

Korea AEO Importing into Hong Kong

- 1. Your company should ask exporters in Korea (if they are AEO companies) to accurately furnish their **Company Names** and **Addresses** certified under the Korea AEO programme, together with other cargo information, to their carriers (i.e. Airlines or Container lines).
- 2. Carriers will use such information in completing Cargo Manifests of the conveyances, which will be used for Customs clearance by Customs and Excise Department.